7. The second iteration in computing Need allocation consists of adjusting the Need allocation computed above to take into account the \$50,000 baseline funding for the first year only and then \$25,000 per year for each year thereafter through FY 2002. So, if in the first Need computation you have less than the minimum Needs funding level, your Need allocation will go up. But, if you have more than the minimum Needs funding level, your Need allocation will go down to adjust for the other Need allocations going up. We can represent this by: If NEED1 is less than MINFUNDING, then

NEED = MINFUNDING.

If NEED1 is greater than or equal to MINFUNDING, then NEED = NEED1—
JUNDERMINS * [(NEED1— {UNDERMIN\$ [(NEED1— MINFUNDING) / OVERMIN\$]}.

MINFUNDING = minimum needs funding level.

UNDERMIN\$ = for all tribes with NEED1 less than MINFUNDING, sum of the dif-ferences between MINFUNDING and NEED1.

OVERMINS = for all tribes with NEED1 greater than or equal to MINFUNDING, sum of the difference be-

tween NEED1 and MINFUNDING.

For estimating FY 1998 allocations:

MINFUNDING = \$50,000.UNDERMIN\$ = \$4,919,224. OVERMIN\$ = \$335,022,114.

8. Now we have computed values for FCAS and NEED. This final step in computing the grant allocation is to adjust the sum of FCAS and NEED to reflect the statutory requirement that a tribe's minimum grant will not be less than that tribe's FY 1996 Operating Subsidy and Modernization funding. So, before adjusting for the minimum grant compute:

unadjGRANT = FCAS + NEED

where both FCAS and NEED are calculated

9. Now, apply test to determine if the GRANT (unadjusted for FY 1996) levels is greater than or equal to FY 1996 Operating Subsidy and Modernization funding.

Let TEST = unadjGRANT—OPMOD96

If TEST is less than 0, then GRANT = OPMOD96.

If TEST is greater than or equal to 0, then GRANT = unadjGRANT—[UNDER1996 * (TEST / OVER1996)].

OPMOD96 = funding received by tribe in FY1996 for Operating Subsidy and Modernization

UNDER1996 = for all tribes with TEST lessthan 0, sum of the absolute value of TEST.

OVER1996 = for all tribes with TEST greater than or equal to 0, sum of TEST.

For estimating FY 1998 allocations:

UNDER1996 = \$5,378,558.

OVER1996 = \$326.095.837.

GRANT is the approximate grant amount in any given year for any given tribe.

[63 FR 12373, Mar. 12, 1998; 63 FR 13105, Mar.

EFFECTIVE DATE NOTE: At 63 FR 12373, Mar. 12, 1998, appendix B to part 1000 was added, effective Apr. 13, 1998.

PARTS 1001-1002 [RESERVED]

PART 1003—COMMUNITY DEVEL-OPMENT BLOCK GRANTS FOR IN-DIAN TRIBES AND ALASKA NA-**TIVE VILLAGES**

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